

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2004-584

December 23, 2004

BANGOR GAS COMPANY
Proposed Revision to Terms and Conditions
(After Normal Business Hours Reconnection
Charge)

ORDER APPROVING

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

I. SUMMARY

We approve Bangor Gas Company's (BGC) proposed After Normal Business Hours Reconnection Charge.

II. BACKGROUND

On August 26, 2004, Bangor Gas Company ("Company") filed with this Commission a request to revise its tariff, specifically Original Sheet No. 27, to include an after normal business hours reconnection fee.

On September 1, 2004, Bangor Gas received suggestions from the Consumer Assistance Division ("CAD") regarding the proposed language. CAD also requested that the Company provide supplemental information to support the derivation of the after normal business hours reconnection fee. BGC provided this support on September 14, 2004 via e-mail.

On September 23, 2004, the Commission suspended operation of the schedule to allow further time to investigate the matter. On September 28, 2004, BGC filed, by electronic means, an Original Sheet No. 27, First Revision, Second Draft edited to include suggested language provided by CAD and a signed original, with an effective date of October 1, 2004.

III. ANALYSIS

Utility charges must be just and reasonable. 35-A M.R.S.A. §301 (2). Chapter 81 section 12 (D) allows a higher fee for reconnection after regular hours. Services provided after normal business hours are typically more costly than those that are provided within normal hours of operation largely due to labor costs. BGC's terms and conditions already contain a reconnection charge for service provided during normal business hours of \$25.00. BGC proposes to charge \$80.00 for this service when the customer requests reconnection outside of normal business hours. The information provided by BGC confirms that the proposed charge of \$80.00 reflects BGC's cost of sending an on-call technician to the customer's location after normal

business hours to reconnect natural gas service. BGC's proposed rate schedule also states that, for purposes of this service, normal business hours are between the hours of 8:00 a.m. and 4:00 p.m. We find BGC's designated hours reasonable.

BGC's proposal raises the question of whether a utility under an alternative rate plan may add charges during the term of that plan, rather than at the time of a comprehensive rate case when the terms of the plan are reviewed and set. Arguably, it disturbs the balance struck in the formation of the rate plan to allow a utility to add charges to customers during the term of the plan. Additional charges could increase a utility's revenues above levels established as reasonable during the plan's formation, providing a windfall to the utility at ratepayers' expense.

We do not find this to be a problem in this instance. The charge is not likely to be applied very frequently, so revenue increases to BGC will likely be so small as to be *de minimis*. The application of this charge will not create a situation where BGC's earnings will exceed an allowable level. As a start-up plan extending for 10 years, BGC's rate plan is not designed to carefully balance established utility operating expenses and revenues; therefore the additional revenue from this charge will not do a disservice to the conceptual underpinnings of the plan.

We therefore find BGC's proposed after hours reconnection charge reasonable and approve its revised tariff, Original Sheet 27, First Revision, Second Draft to take effect on the date of this Order.

Accordingly, we

O R D E R

That Original Sheet 27, First Revision, Second Draft, submitted by Bangor Gas Company is approved to take effect this date.

Dated at Augusta, Maine, this 23rd day of December, 2004.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Diamond
 Reishus

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.